

STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: Altitude Entertainment Films, Inc.
Stephane Roger Marchand
1 Moonlight Isle
Ladera Ranch, CA 92694

8730 Sunset Boulevard
West Hollywood, CA 90069

DESIST AND REFRAIN ORDER

(For Violations of Sections 25110 and 25401 of the Corporations Code)

The Commissioner of Business Oversight ("Commissioner") finds that:

1. Altitude Entertainment Films, Inc. ("Altitude Entertainment") is an active California corporation, formed on or about July 28, 2014. Altitude Entertainment's principal place of business is 1 Moonlight Isle, Ladera Ranch, California or 8730 Sunset Boulevard, West Hollywood, California. Altitude Entertainment maintains a website at www.altitudeentertainmentfilms.com. According to the company's website, Altitude Entertainment funds, produces, and distributes films.

2. Stephane Roger Marchand ("Marchand") is Altitude Entertainment's chief executive officer, president, and registered agent.

3. Altitude Entertainment and Marchand sold securities in the form of Altitude Entertainment investment contracts to at least one investor, raising a total of approximately \$200,000.00.

4. Marchand solicits investors through the classified advertisements website Craigslist. One such posting read, "ARE YOU BROKE, WITH GREAT CREDIT? WE NEED YOU 500K YEAR POSITION AVAIL (WE PUT 100K IN YOUR POCKET TODAY)." The classified advertisements reference Los Angeles, Orange, and San Diego Counties.

5. At least one California resident responded to Marchand's Craigslist advertisement, which promised "Big returns. No money down. Good credit score to apply for credit." During their face-to-face meeting in July of 2015, Marchand told the investor that he needed a "credit partner," someone whose credit would be used to obtain loans to flip high-end properties within Orange

1 County. In exchange for his good credit, Marchand promised returns of \$100,000.00, on completion
2 of funding, plus \$50,000.00 per month. Marchand explained that the returns would be generated
3 when the credit partner's funds were invested in the business and the business earned a profit. The
4 credit partner would not manage or run the day-to-day operations of the business but would apply for
5 and obtain loans or credit cards that would be used to fund Marchand's business ventures. Marchand
6 was to manage the credit partner's funds and seek out new business opportunities in real estate.

7 6. In or about July 2015, Marchand located a property in which to invest but the investor
8 was unable to provide the 20%-30% cash deposit required by the lender to obtain the loan, so the
9 parties abandoned the scheme.

10 7. Shortly thereafter, Marchand approached the investor about providing funding for
11 Altitude Entertainment. Altitude Entertainment, according to Marchand, was his film company that
12 was looking to invest in and acquire new business ventures, including an exotic car rental business
13 and "Speedweed.com," a medical marijuana delivery service.

14 8. On or about July 10, 2015, the investor, at Marchand's urging, used a credit card
15 broker to apply for and obtain 12 credit cards with lines of credit totaling \$200,000.00. Marchand
16 subsequently directed the investor to add his name as an authorized signer on all 12 of the investors'
17 credit card accounts. Marchand drew down the lines of credit, taking cash advances and using the
18 credit cards to purchase personal items, such as consumer electronics, gym membership, and
19 children's clothing. Marchand explained that the cash advances would be invested in Altitude
20 Entertainment's business ventures, including the exotic car rental business and Speedweed.com.

21 9. In or about September of 2015, after having exhausted the investors' credit card limits,
22 Marchand demanded that the investor apply for and obtain additional credit cards. The investor
23 refused.

24 10. In connection with the offer and sale of these securities, the above described Altitude
25 Entertainment investment contracts, Marchand misrepresented or failed to disclose to investors the
26 following material facts:

27 a. In or about August 2000, the Bureau of Real Estate ("BRE") revoked Marchand's real
28 estate salesperson's license on the basis of his failure to disclose his April 1995 criminal conviction.
According to the BRE's findings of law and fact, in or about April 1995, Marchand was charged with
violating section 1871.4 of the Insurance Code (False Workers' Compensation Insurance Claim) and

1 section 148.5, subdivision (a) of the Penal Code (False Report of Criminal Offense). Marchand pled
2 guilty to and was convicted of both violations.

3 b. On or about January 25, 2001, Marchand filed for voluntary Chapter 7 bankruptcy
4 protection in the United States Bankruptcy Court for the Central District of California, case number
5 8:01-bk-0110607-RA.

6 c. In or about April 2009, in the matter captioned *People v. Marchand*, Orange County
7 Superior Court case number 09SF0432, the state charged Marchand with violating section 487,
8 subdivision (a), of the Penal Code (Grand Theft); sections 484, subdivision (a), through 488 of the
9 Penal Code (Petty Theft); section 6126, subdivision (a), of the Business and Professions Code
10 (Unauthorized Practice of Law); section 10130 of the Business and Professions Code (Engaging in
11 Business as a Real Estate Broker without License); and section 594, subdivisions (a) and (b)(1) of the
12 Penal Code (Vandalism). In or about June of 2009, Marchand pled guilty and was convicted of
13 violating sections 6126, subdivision (a), and 10130 of the Business and Professions Code.

14 d. On or about July 13, 2012, Marchand pled guilty and was convicted of second degree
15 burglary under Penal Code sections 459 and 460, in the matter captioned *People v. Marchand*,
16 Orange County Superior Court case number 11HF0592.

17 e. On or about September 18, 2014, the Department of Business Oversight issued
18 Marchand a desist and refrain order for violations of Corporations Code sections 29525 and 29536 of
19 the California Commodity Law of 1990.

20 f. On or about November 5, 2014, Marchand filed for voluntary Chapter 13 bankruptcy
21 protection in the United States Bankruptcy Court for the Central District of California, case number
22 8:14-bk-16543-ES.

23 g. On or about January 2, 2015, Marchand filed for voluntary Chapter 7 bankruptcy
24 protection in the United States Bankruptcy Court for the Central District of California, case number
25 8:15-bk-10005-ES.

26 11. These securities, the above described investment contracts, were sold in this state in
27 issuer transactions. The Department of Business Oversight has not issued a permit or other form of
28 qualification authorizing any person to offer or sell Altitude Entertainment investment contracts in
this state.

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1 Based on the foregoing findings, the Commissioner of Business Oversight is of the opinion
2 that the investment contracts offered by Altitude Entertainment and Marchand are securities subject
3 to qualification under the Corporate Securities Law of 1968 and are being or have been offered or
4 sold without first being qualified in violation of Corporations Code section 25110 of the Corporate
5 Securities Law of 1968. Under section 25532 of the Corporations Code, Altitude Entertainment
6 Films, Inc. and Stephane Roger Marchand are ordered to desist and refrain from the further offer and
7 sale of securities in California, including but not limited to Altitude Entertainment investment
8 contracts, unless such sale has been qualified under Corporations Code section 25111, 25112, or
9 25113 or unless such security or transaction is exempted or not subject to qualification.

10 Furthermore, the Commissioner of Business Oversight is of the opinion that the securities
11 Altitude Entertainment Films, Inc. and Stephane Roger Marchand offered or sold in this state were
12 offered or sold by means of written or oral communication that includes an untrue statement of a
13 material fact or omits to state a material fact necessary to make the statements made, in the light of
14 the circumstances under which the statements were made, not misleading in violation of section
15 25401 of the Corporations Code. Under section 25532 of the Corporations Code, Altitude
16 Entertainment Films, Inc. and Stephane Roger Marchand made, or caused to be made,
17 misrepresentations or omissions of material fact in connection with the offer or sale of securities and
18 are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any
19 security in the State of California by means of any written or oral communication which includes an
20 untrue statement of material fact or omits to state material fact necessary in order to make the
21 statements made, in light of the circumstances under which they were made, not misleading.

22 This order is necessary, in the public interest, for the protection of investors and consistent
23 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

24 Dated: February 19, 2016
25 Los Angeles, California

26 JAN LYNN OWEN
27 Commissioner of Business Oversight

28 By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division